



State of New Jersey
CASINO CONTROL COMMISSION
TENNESSEE AVENUE AND BOARDWALK
ATLANTIC CITY, NJ 08401

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Commissioners

April 4, 2005

(609) 441-3422

Dear Subscriber:

Enclosed is the New Jersey Casino Industry Quarterly Financial Reports for the fourth quarter ending December 31, 2004.

If you have any questions, please contact me at (609) 441-3799. You can also contact us by e-mail at dheneghan@ccc.state.nj.us. If you have any questions about your subscription, please contact Josephine Nanfara Steindl at (609) 441-3211 or by e-mail at jsteindl@ccc.state.nj.us.

Sincerely,

A handwritten signature in cursive script, reading "Daniel J. Heneghan".

Daniel J. Heneghan
Public Information Officer

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Enclosures

**ATLANTIC CITY CASINO INDUSTRY
STATEMENT OF INCOME STATISTICS
FOR THE QUARTER ENDED DECEMBER 31, 2004 AND 2003**
(\$ in Thousands)

	Net Revenue		Fav (Unfav) Var %	Gross Operating Profit		Fav (Unfav) Var %	Net Income		Fav (Unfav) Var %
	<u>2004</u>	<u>2003</u>		<u>2004</u>	<u>2003</u>		<u>2004</u>	<u>2003</u>	
AC Hilton	\$ 61,227	\$ 67,905	(9.8)	\$ 4,742	\$ 10,367	(54.3)	\$ (828)	\$ (755)	(9.7)
Bally's AC	133,605	150,491	(11.2)	24,122	28,858	(16.4)	(4,403)	(1,816)	N/A
Borgata	179,446	141,821	26.5	62,192	35,466	75.4	59,759	6,739	N/A
Caesars	106,567	116,211	(8.3)	26,630	28,186	(5.5)	(3,025)	592	N/A
Harrah's	95,350	98,855	(3.5)	31,444	37,066	(15.2)	5,088	10,145	(49.8)
Resorts	50,416	43,731	15.3	2,556	1,656	54.3	(4,050)	(4,317)	6.2
Sands	41,835	38,386	9.0	2,869	286	N/A	(1,321)	(9,233)	85.7
Showboat	81,210	81,889	(0.8)	25,671	25,315	1.4	149	(2,574)	N/A
Tropicana	91,921	82,754	11.1	12,692	13,890	(8.6)	(9,382)	5,519	N/A
Trump Marina	57,608	55,372	4.0	11,247	10,860	3.6	(18,453)	(6,870)	N/A
Trump Plaza	68,789	65,822	4.5	3,822	12,573	(69.6)	(18,651)	(13,657)	(36.6)
Trump Taj Mahal	<u>110,328</u>	<u>110,848</u>	(0.5)	<u>23,772</u>	<u>26,310</u>	(9.6)	<u>(18,480)</u>	<u>(11,975)</u>	(54.3)
Industry	<u>\$ 1,078,302</u>	<u>\$ 1,054,085</u>	2.3	<u>\$ 231,759</u>	<u>\$ 230,833</u>	0.4	<u>\$ (13,597)</u>	<u>\$ (28,202)</u>	51.8

**ATLANTIC CITY CASINO INDUSTRY
STATEMENT OF INCOME STATISTICS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2004 AND 2003**
(\$ in Thousands)

	Net Revenue		Fav (Unfav) Var %	Gross Operating Profit		Fav (Unfav) Var %	Net Income		Fav (Unfav) Var %
	<u>2004</u>	<u>2003</u>		<u>2004</u>	<u>2003</u>		<u>2004</u>	<u>2003</u>	
AC Hilton	\$ 280,418	\$ 295,753	(5.2)	\$ 50,310	\$ 63,697	(21.0)	\$ 5,611	\$ 9,088	(38.3)
Bally's AC	631,989	666,847	(5.2)	169,557	178,987	(5.3)	36,127	43,371	(16.7)
Borgata (opened 7/3/03)	676,419	291,503	N/A	223,469	67,740	N/A	133,465	12,906	N/A
Caesars	485,533	505,801	(4.0)	148,881	164,542	(9.5)	18,337	33,326	(45.0)
Harrah's	420,569	430,336	(2.3)	161,900	179,329	(9.7)	52,498	73,133	(28.2)
Resorts	229,366	213,664	7.3	27,504	28,583	(3.8)	(4,890)	(1,256)	N/A
Sands	173,378	170,258	1.8	18,400	12,770	44.1	(7,936)	(17,756)	55.3
Showboat	354,820	344,761	2.9	129,860	115,253	12.7	12,248	5,764	N/A
Tropicana	383,887	394,266	(2.6)	84,723	105,771	(19.9)	(14,898)	(2,381)	N/A
Trump Marina	248,145	250,431	(0.9)	53,221	52,325	1.7	(31,755)	(19,775)	(60.6)
Trump Plaza	284,763	291,386	(2.3)	45,500	64,954	(30.0)	(42,543)	(25,415)	(67.4)
Trump Taj Mahal	<u>470,030</u>	<u>487,293</u>	(3.5)	<u>114,579</u>	<u>126,278</u>	(9.3)	<u>(46,796)</u>	<u>(28,002)</u>	(67.1)
Industry	<u>\$ 4,639,317</u>	<u>\$ 4,342,299</u>	6.8	<u>\$ 1,227,904</u>	<u>\$ 1,160,229</u>	5.8	<u>\$ 109,468</u>	<u>\$ 83,003</u>	31.9

**ATLANTIC CITY CASINO INDUSTRY
STATEMENTS OF INCOME
FOR THE QUARTER ENDED DECEMBER 31, 2004
(\$ in Thousands)**

	AC Hilton	Bally's AC	Borgata	Caesars	Harrah's	Resorts	Sands	Showboat	Tropicana	Trump Marina	Trump Plaza	Trump Taj Mahal	Industry
REVENUE:													
Casino	\$ 64,883	\$ 137,664	\$ 164,524	\$ 106,197	\$ 99,470	\$ 54,778	\$ 44,815	\$ 88,444	\$ 85,790	\$ 61,256	\$ 76,711	\$ 118,658	\$ 1,103,190
Rooms	4,735	9,447	21,497	7,395	11,328	4,890	2,566	9,914	10,827	4,496	6,071	8,124	101,290
Food and Beverage	7,291	16,919	29,267	11,671	11,817	4,639	5,427	10,937	10,776	7,845	9,311	13,185	139,085
Other	2,858	4,891	5,999	3,267	2,333	1,591	1,113	879	3,803	2,434	2,810	4,404	36,382
Total Revenue	79,767	168,921	221,287	128,530	124,948	65,898	53,921	110,174	111,196	76,031	94,903	144,371	1,379,947
Less: Promotional Allowances	18,540	35,316	41,841	21,963	29,598	15,482	12,086	28,964	19,275	18,423	26,114	34,043	301,645
NET REVENUE	61,227	133,605	179,446	106,567	95,350	50,416	41,835	81,210	91,921	57,608	68,789	110,328	1,078,302
COSTS AND EXPENSES:													
Cost of Goods and Services	42,618	87,705	91,529	58,627	47,903	37,025	28,609	43,263	62,397	35,836	49,416	67,671	652,599
Selling, General, and Administrative	13,669	21,732	24,120	20,803	15,768	10,755	10,204	12,320	16,746	10,338	15,546	17,984	189,985
Provision for Doubtful Accounts	198	46	1,605	507	235	80	153	(44)	86	187	5	901	3,959
Total Costs & Expenses	56,485	109,483	117,254	79,937	63,906	47,860	38,966	55,539	79,229	46,361	64,967	86,556	846,543
GROSS OPERATING PROFIT	4,742	24,122	62,192	26,630	31,444	2,556	2,869	25,671	12,692	11,247	3,822	23,772	231,759
Depreciation and Amortization	-	11,404	14,381	8,424	8,921	4,505	3,571	8,482	8,798	5,950	4,605	12,699	91,740
Charges from Affiliates Other than Interest:													
Management Fees	2,103	4,542	-	3,425	-	-	-	-	7,500	-	-	-	17,570
Other	-	-	-	1,614	2,845	-	-	4,177	-	877	1,203	1,372	12,088
INCOME (LOSS) FROM OPERATIONS	2,639	8,176	47,811	13,167	19,678	(1,949)	(702)	13,012	(3,606)	4,420	(1,986)	9,701	110,361
OTHER INCOME (EXPENSES):													
Interest (Expense) - Affiliates	(4,432)	(12,369)	-	(10,458)	(13,000)	(5,308)	(306)	(14,442)	(13,410)	(11,134)	(13,331)	(23,831)	(122,021)
Interest (Expense) - External	(18)	(59)	(7,407)	(115)	-	(254)	(71)	-	2,599	(509)	(910)	(774)	(7,518)
Invest. Alt. Tax & Related Income (Exp.)-Net	446	(638)	(2,104)	872	(799)	(117)	(278)	(558)	(462)	(259)	(336)	(505)	(4,738)
Nonoperating Income (Expense) - Net	279	(629)	108	(7,614)	(548)	177	237	(292)	1,550	(10,614)	(1,667)	(2,466)	(21,479)
Total Other Income (Expenses)	(3,725)	(13,695)	(9,403)	(17,315)	(14,347)	(5,502)	(418)	(15,292)	(9,723)	(22,516)	(16,244)	(27,576)	(155,756)
Income(Loss) Before Taxes&Extraordinary Items	(1,086)	(5,519)	38,408	(4,148)	5,331	(7,451)	(1,120)	(2,280)	(13,329)	(18,096)	(18,230)	(17,875)	(45,395)
Provision (Credit) for Income Taxes	(258)	(1,116)	(21,351)	(1,123)	243	(3,401)	201	(2,429)	(3,947)	357	421	605	(31,798)
Income (Loss) Before Extraordinary Items	(828)	(4,403)	59,759	(3,025)	5,088	(4,050)	(1,321)	149	(9,382)	(18,453)	(18,651)	(18,480)	(13,597)
Extraordinary Items (Net of Income Taxes)	-	-	-	-	-	-	-	-	-	-	-	-	-
NET INCOME (LOSS)	\$ (828)	\$ (4,403)	\$ 59,759	\$ (3,025)	\$ 5,088	\$ (4,050)	\$ (1,321)	\$ 149	\$ (9,382)	\$ (18,453)	\$ (18,651)	\$ (18,480)	\$ (13,597)

Certain totals may not foot due to rounding by the casino.

**ATLANTIC CITY CASINO INDUSTRY
STATEMENTS OF INCOME
FOR THE QUARTER ENDED DECEMBER 31, 2003
(\$ in Thousands)**

	AC Hilton	Bally's AC	Borgata	Caesars	Harrah's	Resorts	Sands	Showboat	Tropicana	Trump Marina	Trump Plaza	Trump Taj Mahal	Industry
REVENUE:													
Casino	\$ 69,215	\$ 152,021	\$ 122,086	\$ 115,999	\$ 105,586	\$ 46,883	\$ 40,843	\$ 90,442	\$ 76,958	\$ 57,828	\$ 69,854	\$ 116,673	\$ 1,064,388
Rooms	5,808	11,733	20,982	8,623	11,637	3,064	2,453	7,980	10,124	4,241	5,723	7,928	100,296
Food and Beverage	9,360	21,668	26,354	15,634	12,891	4,925	5,144	11,710	10,900	6,576	8,346	12,458	145,966
Other	3,770	4,286	6,182	5,191	1,984	1,516	915	749	3,795	2,599	2,055	3,945	36,987
Total Revenue	88,153	189,708	175,604	145,447	132,098	56,388	49,355	110,881	101,777	71,244	85,978	141,004	1,347,637
Less: Promotional Allowances	20,248	39,217	33,783	29,236	33,243	12,657	10,969	28,992	19,023	15,872	20,156	30,156	293,552
NET REVENUE	67,905	150,491	141,821	116,211	98,855	43,731	38,386	81,889	82,754	55,372	65,822	110,848	1,054,085
COSTS AND EXPENSES:													
Cost of Goods and Services	46,820	99,861	61,728	67,445	52,939	34,327	29,268	48,308	54,585	34,516	40,046	66,039	635,882
Selling, General, and Administrative	12,706	21,503	43,634	19,662	8,950	7,808	8,649	8,390	14,127	9,614	12,990	17,604	185,637
Provision for Doubtful Accounts	(1,988)	269	993	918	(100)	(60)	183	(124)	152	382	213	895	1,733
Total Costs & Expenses	57,538	121,633	106,355	88,025	61,789	42,075	38,100	56,574	68,864	44,512	53,249	84,538	823,252
GROSS OPERATING PROFIT	10,367	28,858	35,466	28,186	37,066	1,656	286	25,315	13,890	10,860	12,573	26,310	230,833
Depreciation and Amortization	4,230	11,119	15,324	8,733	7,799	3,660	3,329	7,278	6,939	5,875	5,006	11,704	90,996
Charges from Affiliates Other than Interest:													
Management Fees	2,292	5,039	-	4,105	-	-	-	-	7,500	-	-	-	18,936
Other	-	-	-	1,635	2,770	-	-	4,131	-	872	1,010	1,139	11,557
INCOME (LOSS) FROM OPERATIONS	3,845	12,700	20,142	13,713	26,497	(2,004)	(3,043)	13,906	(549)	4,113	6,557	13,467	109,344
OTHER INCOME (EXPENSES):													
Interest (Expense) - Affiliates	(4,575)	(12,334)	-	(11,044)	(13,000)	(3,918)	(3,567)	(14,448)	(14,064)	(9,957)	(13,321)	(24,130)	(124,358)
Interest (Expense) - External	-	(63)	(10,800)	(113)	-	(77)	(54)	-	2,587	(432)	(4,171)	(483)	(13,606)
Invest. Alt. Tax & Related Income (Exp.)-Net	(482)	(1,189)	(1,557)	(704)	(820)	(114)	(568)	(290)	(117)	(248)	(2,575)	(507)	(9,171)
Nonoperating Income (Expense) - Net	118	(305)	661	117	457	192	(1,760)	164	(1,585)	41	242	272	(1,386)
Total Other Income (Expenses)	(4,939)	(13,891)	(11,696)	(11,744)	(13,363)	(3,917)	(5,949)	(14,574)	(13,179)	(10,596)	(19,825)	(24,848)	(148,521)
Income(Loss) Before Taxes&Extraordinary Items	(1,094)	(1,191)	8,446	1,969	13,134	(5,921)	(8,992)	(668)	(13,728)	(6,483)	(13,268)	(11,381)	(39,177)
Provision (Credit) for Income Taxes	(339)	625	1,707	1,377	2,989	(1,604)	241	1,906	(19,247)	387	389	594	(10,975)
Income (Loss) Before Extraordinary Items	(755)	(1,816)	6,739	592	10,145	(4,317)	(9,233)	(2,574)	5,519	(6,870)	(13,657)	(11,975)	(28,202)
Extraordinary Items (Net of Income Taxes)	-	-	-	-	-	-	-	-	-	-	-	-	-
NET INCOME (LOSS)	\$ (755)	\$ (1,816)	\$ 6,739	\$ 592	\$ 10,145	\$ (4,317)	\$ (9,233)	\$ (2,574)	\$ 5,519	\$ (6,870)	\$ (13,657)	\$ (11,975)	\$ (28,202)

Certain totals may not foot due to rounding by the casino.

**ATLANTIC CITY CASINO INDUSTRY
STATEMENTS OF INCOME
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2004
(\$ in Thousands)**

	AC Hilton	Bally's AC	Borgata	Caesars	Harrah's	Resorts	Sands	Showboat	Tropicana	Trump Marina	Trump Plaza	Trump Taj Mahal	Industry
REVENUE:													
Casino	\$ 291,133	\$ 637,820	\$ 623,400	\$ 488,825	\$ 445,074	\$ 247,842	\$ 187,310	\$ 387,037	\$ 360,273	\$ 260,246	\$ 312,867	\$ 496,350	\$ 4,738,177
Rooms	23,039	49,570	85,166	35,042	48,945	18,341	10,908	39,139	47,026	18,551	24,417	33,028	433,172
Food and Beverage	38,098	86,182	119,946	59,307	53,298	23,387	21,899	49,144	47,630	32,850	38,378	56,120	626,239
Other	12,657	21,324	23,769	19,408	8,496	8,439	3,939	5,069	14,572	11,588	10,797	20,223	160,281
Total Revenue	364,927	794,896	852,281	602,582	555,813	298,009	224,056	480,389	469,501	323,235	386,459	605,721	5,957,869
Less: Promotional Allowances	84,509	162,907	175,862	117,049	135,244	68,643	50,678	125,569	85,614	75,090	101,696	135,691	1,318,552
NET REVENUE	280,418	631,989	676,419	485,533	420,569	229,366	173,378	354,820	383,887	248,145	284,763	470,030	4,639,317
COSTS AND EXPENSES:													
Cost of Goods and Services	183,114	384,255	363,475	259,128	209,738	157,544	117,615	192,773	238,175	150,943	177,722	281,818	2,716,300
Selling, General, and Administrative	46,737	77,376	84,454	74,871	48,596	44,180	36,948	32,193	60,381	42,872	60,486	70,707	679,801
Provision for Doubtful Accounts	257	801	5,021	2,653	335	138	415	(6)	608	1,109	1,055	2,926	15,312
Total Costs & Expenses	230,108	462,432	452,950	336,652	258,669	201,862	154,978	224,960	299,164	194,924	239,263	355,451	3,411,413
GROSS OPERATING PROFIT	50,310	169,557	223,469	148,881	161,900	27,504	18,400	129,860	84,723	53,221	45,500	114,579	1,227,904
Depreciation and Amortization	13,161	45,507	56,811	34,406	34,274	16,681	14,898	32,982	32,020	22,256	23,484	49,269	375,749
Charges from Affiliates Other than Interest:													
Management Fees	9,515	21,165	-	15,884	-	-	-	-	32,100	-	-	-	78,664
Other	-	-	-	6,484	11,980	-	-	17,189	-	3,683	5,407	6,066	50,809
INCOME (LOSS) FROM OPERATIONS	27,634	102,885	166,658	92,107	115,646	10,823	3,502	79,689	20,603	27,282	16,609	59,244	722,682
OTHER INCOME (EXPENSES):													
Interest (Expense) - Affiliates	(17,900)	(49,586)	-	(42,905)	(52,000)	(17,145)	(6,956)	(57,777)	(53,640)	(44,172)	(53,448)	(96,504)	(492,033)
Interest (Expense) - External	(18)	(292)	(35,118)	(469)	-	(696)	(233)	-	12,780	(1,800)	(3,341)	(2,493)	(31,680)
Invest. Alt. Tax & Related Income (Exp.)-Net	560	2,537	(7,957)	(1,190)	(3,310)	(1,510)	(1,165)	(2,215)	(1,158)	(1,096)	(1,412)	(2,100)	(20,016)
Nonoperating Income (Expense) - Net	559	7,078	93	(12,671)	261	1,726	(2,098)	(277)	2,064	(10,497)	757	(2,426)	(15,431)
Total Other Income (Expenses)	(16,799)	(40,263)	(42,982)	(57,235)	(55,049)	(17,625)	(10,452)	(60,269)	(39,954)	(57,565)	(57,444)	(103,523)	(559,160)
Income(Loss) Before Taxes&Extraordinary Items	10,835	62,622	123,676	34,872	60,597	(6,802)	(6,950)	19,420	(19,351)	(30,283)	(40,835)	(44,279)	163,522
Provision (Credit) for Income Taxes	5,224	26,495	(9,789)	16,535	8,099	(1,912)	986	7,172	(4,453)	1,472	1,708	2,517	54,054
Income (Loss) Before Extraordinary Items	5,611	36,127	133,465	18,337	52,498	(4,890)	(7,936)	12,248	(14,898)	(31,755)	(42,543)	(46,796)	109,468
Extraordinary Items (Net of Income Taxes)	-	-	-	-	-	-	-	-	-	-	-	-	-
NET INCOME (LOSS)	\$ 5,611	\$ 36,127	\$ 133,465	\$ 18,337	\$ 52,498	\$ (4,890)	\$ (7,936)	\$ 12,248	\$ (14,898)	\$ (31,755)	\$ (42,543)	\$ (46,796)	\$ 109,468

Certain totals may not foot due to rounding by the casino.

**ATLANTIC CITY CASINO INDUSTRY
STATEMENTS OF INCOME
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2003
(\$ in Thousands)**

	AC Hilton	Bally's AC	Borgata*	Caesars	Harrah's	Resorts	Sands	Showboat	Tropicana	Trump Marina	Trump Plaza	Trump Taj Mahal	Industry
REVENUE:													
Casino	\$ 304,021	\$ 669,676	\$ 258,270	\$ 511,243	\$ 445,285	\$ 230,135	\$ 183,036	\$ 371,044	\$ 368,817	\$ 258,399	\$ 313,172	\$ 511,896	\$ 4,424,994
Rooms	24,641	49,838	39,285	35,778	43,488	11,163	10,983	26,838	46,797	18,149	24,076	33,435	364,471
Food and Beverage	40,466	94,636	52,519	69,245	53,328	22,079	21,946	50,879	50,173	31,303	36,009	54,973	577,556
Other	12,544	16,846	9,874	21,516	9,886	6,496	3,925	5,197	14,798	11,189	8,371	16,888	137,530
Total Revenue	381,672	830,996	359,948	637,782	551,987	269,873	219,890	453,958	480,585	319,040	381,628	617,192	5,504,551
Less: Promotional Allowances	85,919	164,149	68,445	131,981	121,651	56,209	49,632	109,197	86,319	68,609	90,242	129,899	1,162,252
NET REVENUE	295,753	666,847	291,503	505,801	430,336	213,664	170,258	344,761	394,266	250,431	291,386	487,293	4,342,299
COSTS AND EXPENSES:													
Cost of Goods and Services	191,209	405,695	134,943	275,391	215,696	147,575	121,867	196,824	230,189	152,322	171,207	283,199	2,526,117
Selling, General, and Administrative	42,051	81,583	86,259	63,415	35,411	37,038	34,580	32,695	57,155	44,232	54,245	74,072	642,736
Provision for Doubtful Accounts	(1,204)	582	2,561	2,453	(100)	468	1,041	(11)	1,151	1,552	980	3,744	13,217
Total Costs & Expenses	232,056	487,860	223,763	341,259	251,007	185,081	157,488	229,508	288,495	198,106	226,432	361,015	3,182,070
GROSS OPERATING PROFIT	63,697	178,987	67,740	164,542	179,329	28,583	12,770	115,253	105,771	52,325	64,954	126,278	1,160,229
Depreciation and Amortization	17,862	42,620	28,121	36,986	30,823	13,557	14,255	27,085	28,583	22,535	20,150	44,405	326,982
Charges from Affiliates Other than Interest:													
Management Fees	9,988	22,116	-	16,678	-	-	-	-	32,650	-	-	-	81,432
Other	-	-	-	6,442	11,639	-	-	16,742	-	3,793	5,540	6,099	50,255
INCOME (LOSS) FROM OPERATIONS	35,847	114,251	39,619	104,436	136,867	15,026	(1,485)	71,426	44,538	25,997	39,264	75,774	701,560
OTHER INCOME (EXPENSES):													
Interest (Expense) - Affiliates	(18,075)	(49,155)	-	(43,887)	(52,000)	(17,540)	(12,355)	(57,797)	(55,295)	(50,674)	(53,297)	(96,629)	(506,704)
Interest (Expense) - External	-	(256)	(21,694)	(467)	-	(310)	(227)	-	8,287	(1,739)	(6,414)	(1,686)	(24,506)
Invest. Alt. Tax & Related Income (Exp.)-Net	(2,087)	(4,928)	(3,335)	(2,572)	(3,212)	2,280	(1,434)	(1,392)	(368)	(1,888)	(3,899)	(3,405)	(26,240)
Nonoperating Income (Expense) - Net	354	10,173	788	767	825	1,015	(1,399)	887	(4,857)	153	461	344	9,511
Total Other Income (Expenses)	(19,808)	(44,166)	(24,241)	(46,159)	(54,387)	(14,555)	(15,415)	(58,302)	(52,233)	(54,148)	(63,149)	(101,376)	(547,939)
Income(Loss) Before Taxes&Extraordinary Items	16,039	70,085	15,378	58,277	82,480	471	(16,900)	13,124	(7,695)	(28,151)	(23,885)	(25,602)	153,621
Provision (Credit) for Income Taxes	6,951	26,714	2,472	24,951	9,347	1,727	856	7,360	(5,314)	1,375	1,530	2,400	80,369
Income (Loss) Before Extraordinary Items	9,088	43,371	12,906	33,326	73,133	(1,256)	(17,756)	5,764	(2,381)	(29,526)	(25,415)	(28,002)	73,252
Extraordinary Items (Net of Income Taxes)	-	-	-	-	-	-	-	-	-	9,751	-	-	9,751
NET INCOME (LOSS)	\$ 9,088	\$ 43,371	\$ 12,906	\$ 33,326	\$ 73,133	\$ (1,256)	\$ (17,756)	\$ 5,764	\$ (2,381)	\$ (19,775)	\$ (25,415)	\$ (28,002)	\$ 83,003

Certain totals may not foot due to rounding by the casino.

* Borgata opened July 3, 2003.

**ATLANTIC CITY CASINO INDUSTRY
HOTEL STATISTICS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2004**

CASINO	NUMBER OF GUEST ROOMS IN PROPERTY*	NUMBER OF AVAILABLE ROOM NIGHTS	NUMBER OF OCCUPIED ROOM NIGHTS	OCCUPANCY RATE	AVERAGE RATE PER OCCUPIED ROOM
AC Hilton	804	68,942	54,323	78.8%	\$86.90
Bally's AC	1,745	158,750	112,447	70.8%	83.80
Borgata	2,002	177,453	164,506	92.7%	128.37
Caesars	1,140	103,604	79,648	76.9%	92.46
Harrah's	1,626	140,737	123,008	87.4%	92.09
Resorts	879	71,472	53,481	74.8%	91.43
Sands	620	52,713	42,265	80.2%	60.36
Showboat	1,309	120,428	110,470	91.7%	89.74
Tropicana	2,125	170,625	129,721	76.0%	83.46
Trump Marina	728	66,976	56,391	84.2%	79.73
Trump Plaza	904	83,168	75,147	90.4%	80.79
Trump Taj Mahal	1,250	115,000	103,855	90.3%	78.22
INDUSTRY TOTAL	15,132	1,329,868	1,105,262		
INDUSTRY AVERAGE				83.1%	\$91.22

* Number of guest rooms at end of quarter

**ATLANTIC CITY CASINO INDUSTRY
HOTEL STATISTICS
FOR THE YEAR ENDED DECEMBER 31, 2004**

CASINO	NUMBER OF GUEST ROOMS IN PROPERTY*	NUMBER OF AVAILABLE ROOM NIGHTS	NUMBER OF OCCUPIED ROOM NIGHTS	OCCUPANCY RATE	AVERAGE RATE PER OCCUPIED ROOM
AC Hilton	804	283,859	258,803	91.2%	\$88.76
Bally's AC	1,745	617,004	554,319	89.8%	88.81
Borgata	2,002	716,417	661,168	92.3%	126.44
Caesars	1,140	411,242	380,055	92.4%	91.94
Harrah's	1,626	575,559	529,836	92.1%	92.30
Resorts	879	239,203	205,266	85.8%	89.35
Sands	620	210,095	184,167	87.7%	59.18
Showboat	1,309	479,094	441,186	92.1%	88.71
Tropicana	2,125	615,875	534,291	86.8%	88.01
Trump Marina	728	266,448	230,302	86.4%	80.55
Trump Plaza	904	330,864	307,963	93.1%	79.29
Trump Taj Mahal	1,250	457,500	428,187	93.6%	77.13
INDUSTRY TOTAL	15,132	5,203,160	4,715,543		
INDUSTRY AVERAGE				90.6%	\$91.41

* Number of guest rooms at end of quarter

**ATLANTIC CITY CASINO INDUSTRY
PROMOTIONAL ALLOWANCES AND EXPENSES
FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2004**
(\$ in Thousands)

	QUARTER			YEAR		
	<u>Allowances</u>	<u>Expenses</u>	<u>Total</u>	<u>Allowances</u>	<u>Expenses</u>	<u>Total</u>
AC Hilton	\$ 18,540	\$ 3,555	\$ 22,095	\$ 84,509	\$ 12,640	\$ 97,149
Bally's AC	35,316	5,720	41,036	162,907	20,104	183,011
Borgata (opened 7/3/03)	41,841	6,606	48,447	175,862	23,944	199,806
Caesars	21,963	6,547	28,510	117,049	24,206	141,255
Harrah's Marina	29,598	2,367	31,965	135,244	9,438	144,682
Resorts	15,482	709	16,191	68,643	3,423	72,066
Sands	12,086	1,699	13,785	50,678	6,342	57,020
Showboat	28,964	378	29,342	125,569	1,207	126,776
Tropicana	19,275	2,566	21,841	85,614	8,952	94,566
Trump Marina	18,423	1,151	19,574	75,090	4,298	79,388
Trump Plaza	26,114	1,129	27,243	101,696	4,053	105,749
Trump Taj Mahal	34,043	4,548	38,591	135,691	15,730	151,421
Industry	<u>\$ 301,645</u>	<u>\$ 36,975</u>	<u>\$ 338,620</u>	<u>\$ 1,318,552</u>	<u>\$ 134,337</u>	<u>\$ 1,452,889</u>
Incr (Decr) vs. Prior Period	2.8%	11.9%	3.7%	13.4%	26.7%	14.6%

**ATLANTIC CITY CASINO INDUSTRY
PROMOTIONAL ALLOWANCES AND EXPENSES
FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2003**
(\$ in Thousands)

	QUARTER			YEAR		
	<u>Allowances</u>	<u>Expenses</u>	<u>Total</u>	<u>Allowances</u>	<u>Expenses</u>	<u>Total</u>
AC Hilton	\$ 20,248	\$ 2,753	\$ 23,001	\$ 85,919	\$ 9,433	\$ 95,352
Bally's AC	39,217	6,498	45,715	164,149	22,912	187,061
Borgata	33,783	5,338	39,121	68,445	10,165	78,610
Caesars	29,236	5,358	34,594	131,981	14,525	146,506
Harrah's Marina	33,243	1,493	34,736	121,651	5,943	127,594
Resorts	12,657	880	13,537	56,209	3,389	59,598
Sands	10,969	1,707	12,676	49,632	5,869	55,501
Showboat	28,992	408	29,400	109,197	1,961	111,158
Tropicana	19,023	2,148	21,171	86,319	8,024	94,343
Trump Marina	15,872	1,633	17,505	68,609	5,230	73,839
Trump Plaza	20,156	885	21,041	90,242	3,532	93,774
Trump Taj Mahal	30,156	3,931	34,087	129,899	15,071	144,970
Industry	<u>\$ 293,552</u>	<u>\$ 33,032</u>	<u>\$ 326,584</u>	<u>\$ 1,162,252</u>	<u>\$ 106,054</u>	<u>\$ 1,268,306</u>

THE ATLANTIC CITY CASINO INDUSTRY
CASINO WIN ANALYSIS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2004 AND 2003
(\$ IN THOUSANDS)

	SLOT MACHINE WIN		FAVORABLE (UNFAVORABLE) VARIANCE		TABLE GAME WIN		FAVORABLE (UNFAVORABLE) VARIANCE		TOTAL CASINO WIN		FAVORABLE (UNFAVORABLE) VARIANCE	
	2004	2003	\$	%	2004	2003	\$	%	2004	2003	\$	%
AC HILTON	\$200,293	\$208,755	(\$8,462)	(4.1)	\$95,140	\$100,604	(\$5,464)	(5.4)	\$295,433	\$309,359	(\$13,926)	(4.5)
BALLY'S AC	471,786	496,080	(24,294)	(4.9)	172,942	181,998	(9,056)	(5.0)	644,728	678,078	(33,350)	(4.9)
BORGATA (opened 7/3/03)	403,839	165,756	N/A	N/A	232,702	101,101	N/A	N/A	636,541	266,857	N/A	N/A
CAESARS	349,422	353,100	(3,678)	(1.0)	146,543	165,987	(19,444)	(11.7)	495,966	519,087	(23,121)	(4.5)
HARRAH'S	402,392	404,638	(2,246)	(0.6)	47,470	46,375	1,095	2.4	449,862	451,013	(1,151)	(0.3)
RESORTS	188,881	174,843	14,038	8.0	63,904	58,212	5,692	9.8	252,785	233,055	19,730	8.5
SANDS	149,840	152,562	(2,722)	(1.8)	40,369	33,202	7,167	21.6	190,209	185,764	4,445	2.4
SHOWBOAT	349,562	334,186	15,376	4.6	43,018	43,570	(552)	(1.3)	392,581	377,755	14,826	3.9
TROPICANA	255,769	265,102	(9,333)	(3.5)	108,181	107,267	914	0.9	363,949	372,369	(8,420)	(2.3)
TRUMP MARINA	210,527	199,284	11,243	5.6	52,503	60,379	(7,876)	(13.0)	263,030	259,663	3,367	1.3
TRUMP PLAZA	235,414	229,943	5,471	2.4	82,921	88,307	(5,386)	(6.1)	318,335	318,250	85	0.0
TRUMP TAJ MAHAL	338,689	343,029	(4,340)	(1.3)	164,593	174,056	(9,463)	(5.4)	503,282	517,085	(13,803)	(2.7)
TOTAL	<u>\$3,556,414</u>	<u>\$3,327,278</u>	<u>\$229,136</u>	6.9	<u>\$1,250,286</u>	<u>\$1,161,058</u>	<u>\$89,228</u>	7.7	<u>\$4,806,701</u>	<u>\$4,488,335</u>	<u>\$318,366</u>	7.1

Amendments

Licensee	Form	Quarter
Borgata	CCC-205	September 30, 2004
Borgata	Notes, p. 1-9	September 30, 2004
Harrahs	CCC-245	September 30, 2004
Resorts	CCC-245	September 30, 2004
Sands	CCC-215	September 30, 2004
Sands	CCC-235	September 30, 2004
Showboat	Note 9	September 30, 2004
Taj Mahal	Note 2	September 30, 2004

BALANCE SHEETS

AS OF SEPTEMBER 30, 2004 AND SEPTEMBER 30, 2003

(UNAUDITED)
(\$ IN THOUSANDS)**AMENDED**
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LINE (a)	DESCRIPTION (b)	2004 (c)	2003 (d)
	ASSETS		
	Current Assets:		
1	Cash and Cash Equivalents.....	\$ 24,142	\$ 4,717
2	Short-Term Investments.....	-	-
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2004, \$5,776; 2003, \$1,563)..... Note 3, 6.....	20,897	11,214
4	Inventories.....	2,564	1,882
5	Prepaid Expenses and Other Current Assets.....	8,247	3,774
6	Total Current Assets.....	55,850	21,587
7	Investments, Advances, and Receivables.....	2,699	2,699
8	Property and Equipment - Gross.....	1,034,944	1,007,744
9	Less: Accumulated Depreciation and Amortization.....	(67,394)	(13,960)
10	Property and Equipment - Net.....	967,550	993,784
11	Other Assets.....	10,373	23,079
12	Total Assets.....	\$ 1,036,472	\$ 1,041,149
	LIABILITIES AND EQUITY		
	Current Liabilities:		
13	Accounts Payable.....	\$ 5,211	\$ 25,774
14	Notes Payable.....	-	-
	Current Portion of Long-Term Debt:		
15	Due to Affiliates.....	-	-
16	Other..... Note 7,10.....	79,875	49,375
17	Income Taxes Payable and Accrued.....	-	-
18	Other Accrued Expenses..... Note 4, 9.....	51,631	44,100
19	Other Current Liabilities..... Note 5, 6.....	9,815	10,279
20	Total Current Liabilities.....	146,532	129,528
	Long-Term Debt:		
21	Due to Affiliates.....	-	-
22	Other..... Note 7,10.....	379,900	548,875
23	Deferred Credits.....	208	-
24	Other Liabilities..... Note 8.....	12,287	19,694
25	Commitments and Contingencies..... Note 9.....	-	-
26	Total Liabilities.....	538,927	698,097
27	Stockholders', Partners', or Proprietor's Equity..... Note 2.....	497,545	343,052
28	Total Liabilities and Equity.....	\$ 1,036,472	\$ 1,041,149

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

Marina District Development Company, LLC and Subsidiary

(A Wholly-Owned Subsidiary of Marina District Development Holding Co., LLC)

Notes to Condensed Consolidated Financial Statements (Unaudited)

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and include the accounts of Marina District Development Company, LLC, d.b.a. Borgata, (a development-stage enterprise prior to July 3, 2003) ("MDDC, LLC") and Marina District Finance Company, Inc. ("MDFC"), its wholly-owned subsidiary, collectively referred to herein as the "Company", "We", or "Us". The Company is a wholly-owned subsidiary of Marina District Development Holding Co., LLC ("Holding Company" or "Parent"). Holding Company is jointly owned by MAC, Corp. ("MAC"), a wholly-owned subsidiary of MGM MIRAGE, and Boyd Atlantic City, Inc. ("BAC"), a wholly-owned subsidiary of Boyd Gaming Corporation. Our purpose is to develop, own, and operate a hotel casino and spa facility at Renaissance Pointe in Atlantic City, New Jersey. We opened Borgata on July 3, 2003 with approximately 2,000 hotel rooms, a 125,000 square foot casino, and other amenities.

On July 28, 2004, Boyd Gaming Corporation announced a major expansion of Borgata with an estimated cost of approximately \$200,000,000. The project, which requires various government and regulatory approvals, consists of substantial additions of both gaming and non-gaming amenities. Construction is expected to start in December 2004 with completion to occur in the second quarter 2006. Boyd Gaming Corporation and MGM MIRAGE have approved the project, which will be built on land leased from MGM MIRAGE. We have amended and restated our bank credit agreement to provide funding for the project (see Note 10 for subsequent events). BAC and MAC do not expect to make further capital contributions to us for the expansion project.

Pursuant to the Joint Venture Agreement (the "Agreement"), BAC, as the managing venturer of the Holding Company, has oversight responsibility for the management of Borgata which includes the design, development, and construction as well as the day to day operations. We do not record a management fee to BAC as our management team directly performs these services or negotiates contracts to provide for these services. As a result, the costs of these services are directly borne by the Company and are reflected in our accompanying condensed consolidated financial statements.

In our opinion, the accompanying unaudited condensed consolidated financial statements contain all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the results of our operations and our cash flows. Pursuant to CCC-2001, periods prior to July 3, 2003 have been omitted as we were not in operation. We suggest reading this report in conjunction with our Quarterly Report for the Fourth Quarter ended December 31, 2003. Our operating results for the three and nine months ended September 30, 2004 and our cash flows for the nine months ended September 30, 2004 are not necessarily indicative of the results that will be achieved for the full year or future periods.

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Income Taxes

We are treated as a partnership for federal income tax purposes; therefore, federal income taxes are the responsibility of MAC and BAC. As such, no provision for federal income taxes has been recorded in the accompanying condensed consolidated financial statements. In New Jersey, casino partnerships are subject to state income taxes under the Casino Control Act and, accordingly, we are required to record and pay New Jersey state income taxes upon receiving our casino license.

Pursuant to an amendment to the Casino Control Act, effective July 1, 2003, we are also subject to a 7.5% Adjusted Net Profits Tax which is imposed on a casino's Adjusted Net Income as defined in the Casino Control Commission regulations. This tax of \$3,800,000 per year is based on our adjusted net income for the first 12 months of operations ended on June 30, 2004 and is imposed for each of the three fiscal years ending June 30, 2004 through June 30, 2006. The related expense is recorded on a straight line basis.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, or GAAP, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and notes. Significant estimates incorporated into our condensed consolidated financial statements include the estimated useful lives for depreciable and amortizable assets, the estimated allowance for doubtful accounts receivable, estimated valuation allowance for deferred tax assets, estimated liabilities for our self-insured medical plan, slot club programs, and litigation, claims and assessments. Actual results could differ from those estimates and assumptions.

Derivative Financial Instruments and Other Comprehensive Income (Loss)

GAAP requires all derivative instruments to be recognized on the balance sheet at fair value. Derivatives that are not designated as hedges for accounting purposes must be adjusted to fair value through income. If the derivative qualifies and is designated as a hedge, depending on the nature of the hedge, changes in its fair value will either be offset against the change in fair value of the hedged item through earnings or recognized in other comprehensive income (loss) until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value is immediately recognized in earnings. For further information please see Note 8.

Note 2. Capital Contributions

The components of cash and non-cash equity contributions, including scope changes, as of September 30, 2004 are as follows:

Cash	\$ 386,074,000
Land	87,301,000
Special Revenue Bonds	2,699,000
Other	1,433,000
Capital contributions	<u>\$ 477,507,000</u>

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At December 31, 2003, we had recorded contributions receivable from MAC and BAC in the amounts of \$4,100,000 and \$35,500,000, respectively. These contributions receivable are classified as part of Member equity on the accompanying condensed consolidated balance sheet at December 31, 2003. Each receivable included \$4,100,000 related to unfunded contributions pursuant to the total of agreed-upon project costs in the operating agreement. The receivable from BAC also included \$31,400,000 related to the excess of total estimated project costs over the total agreed-upon project costs. In June 2004, BAC and MAC signed an agreement that finalized the total amount of our project costs. Pursuant to this agreement, both BAC and MAC agreed to waive the remaining capital contributions, that were finalized at \$4,100,000 each, that would have funded us to the total of agreed-upon project costs. In addition, BAC agreed to pay a total of \$30,800,000 to fulfill their obligation to fund the excess of actual project costs above the total of agreed-upon costs. Accordingly, in June 2004, BAC made a \$30,807,000 capital contribution to us that were applied to the contribution receivable that was recorded at December 31, 2003. As such, there are no contributions receivable at September 30, 2004.

Note 3. Receivables and Patrons' Checks

Receivables and patrons' checks consist of the following:

	September 30, 2004	September 30, 2003
Casino receivables (net of an allowance for doubtful accounts, 2004, \$5,484,000 and 2003, \$1,529,000)	\$ 15,789,000	\$ 7,645,000
Other (net of an allowance for doubtful accounts, 2004, \$292,000 and 2003, \$34,000)	4,301,000	3,314,000
Due from related parties (Note 6)	807,000	255,000
Receivables and patrons' checks, net	\$ 20,897,000	\$ 11,214,000

Note 4. Other Accrued Expenses

Other accrued expenses consist of the following:

	September 30, 2004	September 30, 2003
Payroll and related	\$ 11,810,000	\$ 17,477,000
Other	39,821,000	26,623,000
Other accrued expenses	\$ 51,631,000	\$ 44,100,000

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Note 5. Other Current Liabilities

Other current liabilities consist of the following:

	September 30, 2004	September 30, 2003
Due to related parties (Note 6)	\$ 1,199,000	\$ 4,559,000
Other	8,616,000	5,720,000
Other current liabilities	\$ 9,815,000	\$ 10,279,000

Note 6. Related Parties

Pursuant to the Agreement, MAC is solely responsible for any investigation, analyses, clean-up, detoxification, testing, monitoring, or remediation related to Renaissance Pointe. Additionally, MAC is responsible for maintaining a portion of the master plan area, such as landscaping, water bills and repairs to light poles and the roadway. The related amounts due from MAC for these types of expenditures incurred by us were \$357,000 and \$162,000 at September 30, 2004 and 2003, respectively. Reimbursable expenditures incurred were \$632,000 for the nine months ended September 30, 2004.

BAC reimburses us for certain compensation paid to executives as well as payments made by us on behalf of Boyd Gaming Corporation related to investigative services for our casino license. The related amounts incurred by us and due from Boyd Gaming Corporation for these types of expenses were \$450,000 and \$93,000 at September 30, 2004 and 2003, respectively. Reimbursable expenditures incurred were \$1,214,000 for the nine months ended September 30, 2004.

Pursuant to the Agreement, MAC is responsible for the development of master plan and government improvements at Renaissance Pointe. The related amounts due to MAC for our allocable share of these types of expenditures were \$0 and \$3,948,000 at September 30, 2004 and 2003, respectively. Master plan and government improvement expenditures reimbursable to MAC were \$5,000 for the nine months ended September 30, 2004.

On May 20, 2002, we entered into a 75 year ground lease agreement with MAC related to our employee parking garage and on February 21, 2003, we entered into a three year ground lease agreement with MAC related to our surface parking lot. The related amounts due to MAC for these leases were \$405,000 and \$42,000 at September 30, 2004 and 2003, respectively. Related rent expenses were \$1,001,000 for the nine months ended September 30, 2004. Pursuant to the ground lease agreement related to the employee parking garage, we are responsible for reimbursing MAC for related property taxes paid on our behalf. Amounts due at September 30, 2004 and 2003 were \$0. Amounts reimbursed to MAC for property taxes were \$492,000 for the nine months ended September 30, 2004.

On August 1, 2003, we entered into a one year airplane lease agreement with BAC that is cancelable by either party. The related amounts due to BAC for these types of expenditures were \$0 at September 30, 2004 and 2003. Related rent expense payments were \$316,000 for the nine months

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ended September 30, 2004. On August 6, 2004 we purchased the airplane from Boyd Gaming Corporation for \$5,750,000.

We reimburse BAC for compensation paid to employees performing services for us on a full-time basis and for out-of-pocket costs and expenses incurred related to travel. BAC is also reimbursed for various payments made on our behalf primarily related to third party legal fees, investigative fees, and other. The related amounts due to BAC for these types of expenditures paid by BAC were \$794,000 and \$569,000 at September 30, 2004 and 2003, respectively. Reimbursable expenditures during the nine months ended September 30, 2004 were \$3,697,000.

The related party balances above are non-interest bearing.

Note 7. Debt

On December 13, 2000, we entered into a \$630,000,000 bank credit agreement (the "Credit Agreement"). Amounts outstanding under each component of the Credit Agreement are as follows (in thousands):

	September 30, 2004	September 30, 2003
Term Loan A	\$ 290,239,000	\$ 392,500,000
Term Loan B	169,536,000	187,500,000
Revolving line of credit	0	18,250,000
Total long-term debt	495,775,000	598,250,000
Less: current maturities	79,875,000	49,375,000
Total	\$ 379,900,000	\$ 548,875,000

The Credit Agreement consists of a \$392,500,000 term loan ("Term Loan A"), an \$187,500,000 term loan ("Term Loan B") and a \$50,000,000 revolving line of credit ("Revolver"). Term Loan A is required to be repaid in quarterly increments starting at \$11,875,000 on December 31, 2003 and increasing to \$15,625,000 per quarter, through September 30, 2007. Term Loan B is required to be repaid in increments of \$469,000 per quarter from December 31, 2003 through September 30, 2007. Amounts repaid under the term loans cannot be reborrowed. The remaining balances of the term loans and the Revolver mature in December 2007. At September 30, 2004, there were no outstanding borrowings on the revolver and \$2,300,000 was allocated to support a letter of credit, leaving availability on the Revolver of \$47,700,000. The interest rate on the Credit Agreement is based upon either (i) the agent bank's quoted base rate or (ii) the LIBOR rate, plus an applicable margin that is determined by the level of a predefined financial leverage ratio. In addition, we incur a commitment fee of 0.5% per annum on the unused portion of the Revolver. In July 2004, we amended our Credit Agreement to reduce and fix the margins used to determine the applicable interest rates for Term B outstanding borrowings. The blended interest rates for outstanding borrowings under the Credit Agreement at September 30, 2004 and 2003 were 4.2% and 4.1%, respectively.

In addition to the scheduled repayments of Term Loans A and B described above, we are also required to make quarterly mandatory payments to Term Loan A based upon an excess cash flow

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calculation as defined in the Credit Agreement. As a result, our estimated excess cash flow payment of \$25,500,000, that is based upon our results for the three months ended September 30, 2004, is reflected in current maturities of long-term debt.

Our obligations under the Credit Agreement are secured by substantially all of our real and personal property. The Credit Agreement contains certain financial and other covenants. We believe we are in compliance with the covenants at September 30, 2004.

Our ability to service our debt will be dependent on future performance, which will be affected by, among other things, prevailing economic conditions and financial, business and other factors, certain of which are beyond our control.

See Note 10 for subsequent events.

Note 8. Interest Rate Protection Agreements

On March 8, 2001, we entered into several interest rate protection agreements to comply with the requirements of our Credit Agreement at an initial cost of \$771,000. The interest rate protection agreements consist of interest rate swaps, caps and collars with a combined total initial aggregate notional amount of \$310,000,000 that commence and mature at various dates ranging from December 2001 to December 2005. The interest rate protection agreements are accounted for as derivative financial instruments. The fair values of the derivative financial instruments at September 30, 2004 and 2003 have been recorded on the accompanying condensed consolidated balance sheets. Net interest paid or received pursuant to the derivative financial instruments is included in interest expense in the period.

The following table reports the effects of the mark to market valuations of our derivative financial instruments for the periods indicated. The increase or decrease in fair value of certain hedges deemed to be ineffective is reported in condensed consolidated statements of operations. The increase or decrease in fair value of certain hedges deemed to be effective is reported in other comprehensive income (loss) on the condensed consolidated balance sheet.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Net gain (loss) on derivative financial instruments due to ineffectiveness in certain hedges	<u>\$ (240,000)</u>	<u>\$ 39,000</u>	<u>\$ 134,000</u>	<u>\$ (579,000)</u>
Derivative financial instruments market adjustment	\$ 1,410,000	\$ 4,342,000	\$ 7,527,000	\$ 4,260,000
Tax effect of derivative financial instruments market adjustment	(127,000)	1,734,000	(677,000)	1,734,000
Net derivative financial instruments market adjustment	<u>\$ 1,283,000</u>	<u>\$ 6,076,000</u>	<u>\$ 6,850,000</u>	<u>\$5,994,000</u>

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We estimate a net amount of \$555,000 of existing net losses reported in accumulated other comprehensive loss at September 30, 2004 to be recorded as net losses on derivative financial instruments in the condensed consolidated statement of operations within the next twelve month period through quarterly mark to market valuations of our derivative financial instruments.

Note 9. Commitments and Contingencies

In June 2004, Borgata and the eleven other casinos in the Atlantic City gaming market (collectively, the "Casinos") entered into a Grant and Donations Agreement ("Agreement") with the New Jersey Sports & Exposition Authority (the "NJSEA") and the Casino Reinvestment Development Authority (the "CRDA") in the interest of deferring or preventing the proliferation of competitive gaming at New Jersey racing tracks.

Under the terms of the Agreement, the Casinos shall pay to the NJSEA \$34,000,000 to be used for certain authorized purposes (the "Authorized Uses") as defined by the Agreement. The \$34,000,000 to be paid by the Casinos shall be payable over a four year period as follows: \$7,000,000 on or before October 15, 2004; \$8,000,000 on or before October 15, 2005; \$9,000,000 on or before October 15, 2006; and \$10,000,000 on or before October 15, 2007. In the event any of the \$34,000,000 is not used by NJSEA for the Authorized Uses by January 1, 2009, the unused funds shall be returned by NJSEA to the Casinos pro rata based upon the share each casino contributed. For each year, each casino's share of the \$34,000,000 will equate to a percentage representing its gross gaming revenue for the twelve months ending June 30th prior to the October 15 payment date compared to the gross gaming revenues for that period for all Casinos. The Casinos, individually and collectively, shall be responsible for the payment of all amounts due. In the event that any casino shall fail to make its payment as required, the remaining Casinos shall pay a pro rata share of the defaulted payment based upon their share of the gross gaming revenue for the period as compared to the gross gaming revenues for the period for all Casinos calculated without the gross gaming revenue of the defaulting casino. As a result, we will expense our pro rata share of the \$34,000,000, estimated to be approximately \$4,100,000 in total using our current market share of gross gaming revenue, on a straight line basis over the applicable term of the Agreement. Based upon the gross gaming revenues for all casinos for the twelve months ended June 30, 2004, our share of the \$7,000,000 payable on October 15 2004 is approximately 12.0%, or \$837,000. We recorded an expense of \$210,000 for the three and nine month periods ended September 30, 2004.

Also under the terms of the Agreement, the Casinos authorize and request that the CRDA approve donations in the aggregate amount of \$62,000,000 from the Casino's North Jersey Obligations (pursuant to the New Jersey Casino Control Act) for certain uses as defined by the Agreement. If so approved, the CRDA shall credit 100% of the donations received from each casino against that casino's obligation to purchase bonds. The donation shall provide that each casino's share of the \$62,000,000 will equate to a percentage representing its gross gaming revenue for the twelve months ended June 30, 2004 compared to the gross gaming revenues for that period for all Casinos. Each casino's respective annual donation shall be made first from uncommitted current and future funds in the North Jersey Project Fund established in accordance with the CRDA Urban Revitalization Act of that Casino and shall be credited as fulfilling said obligation on behalf of the particular casino making the payment. To the extent such North Jersey Project funds of that casino are not adequate to pay a Casino's share of the required donations, then that casino's other uncommitted current and future North Jersey Obligations shall be utilized. As a result, we will expense our pro rata share of the \$62,000,000 on a straight line basis over the applicable term of the Agreement. Based upon the

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gross gaming revenues for all casinos for the twelve months ended June 30, 2004, our share of the \$62,000,000 is approximately 12.0%, or \$7,400,000. We recorded an expense of \$412,000 for the three and nine month periods ended September 30, 2004. Based on current gross gaming revenue projections, we expect it will take approximately 10 to 12 years to fully fund this obligation as the third quarter of 2006 is the first quarter we are subject to fund North Jersey Obligations.

New Jobs Investment Tax Credit

Because we made an investment in a new business facility that created new jobs, we believe we may be eligible for a refund under the New Jersey New Jobs Investment Tax Credit. The total tax credit available is subject to annual limitations based on both income and property tax liabilities. Our estimated total credit is approximately \$70,000,000 over a five year period. We have filed a request for a refund for approximately \$9,600,000 related to the year ended December 31, 2003 and we expect to file requests for refunds over the next four years ending December 31, 2007 for approximately \$15,000,000 per year. We estimate our allowable state tax credit for the nine months ended September 30, 2004 to be approximately \$9,600,000. However, due to various uncertainties, the \$19,200,000 cumulative state tax credit receivable has been fully reserved on our condensed consolidated balance sheet as of September 30, 2004.

Note 10. Subsequent Event

Amended and Restated Credit Agreement

On October 20, 2004, our First Amended and Restated credit agreement among Marina District Finance Company, Marina District Development Company, Canadian Imperial Bank of Commerce and certain other financial institutions became effective. The amended bank credit facility replaced our existing bank credit facility in its entirety.

The amended bank credit facility consists of a \$450,000,000 revolving credit facility and a \$200,000,000 term loan and is capable of being expanded. The revolving credit facility matures in October 2009 and the term loan matures in October 2011. The term loan is required to be repaid in quarterly increments of \$500,000 commencing on March 31, 2005 continuing through September 30, 2011 at which time the remaining balance of the term loan matures on October 20, 2011. Amounts repaid under the term loan may not be reborrowed. The interest rate on the term loan is based upon either (i) the agent bank's quoted base rate or (ii) the Eurodollar rate, plus a fixed margin. The interest rate on the revolving credit facility is based upon either (i) the agent bank's quoted base rate or (ii) the Eurodollar rate, plus an applicable margin that is determined by the level of a predefined financial leverage ratio. In addition, we incur a commitment fee on the unused portion of the revolving credit facility that ranges from 0.25% to 0.5% per annum. The amended bank credit facility is secured by substantially all of our real and personal property.

The amended bank credit facility contains certain financial and other covenants, including, without limitation, various covenants (i) requiring the maintenance of a fixed charge coverage ratio, (ii) establishing a maximum permitted total leverage ratio, (iii) imposing limitations on the incurrence of additional secured indebtedness, (iv) imposing limitations on the maximum permitted expansion capital expenditures during the term of the amended bank credit facility and (v) imposing restrictions on investments, dividends and certain other payments.

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The following pro forma financial data regarding the amounts outstanding under each component of our Credit Agreement at September 30, 2004 is provided as a supplement to Note 7 giving effect to the amended bank credit facility as if it had occurred on September 30, 2004. Pro forma amounts outstanding under each component of the Credit Agreement are as follows (in thousands):

	September 30, 2004
Term Loan A	\$ -
Term Loan B	200,000,000
Revolving line of credit	259,775,000
Total long-term debt	459,775,000
Less current maturities	1,500,000
Total	\$ 458,275,000

Expansion Plans

On October 26, 2004, we made further announcements concerning our expansion plans. Our expansion announced on July 28, 2004 remains on track and is now referred to as Phase I. We are now in the planning stage for a Phase II expansion to begin during Phase I construction and is scheduled for completion in mid-2007. The centerpiece of the Phase II expansion is a new hotel tower, containing approximately 800 guest rooms, suites and resort condominiums. The hotel will be built on a portion of the existing surface parking lot, near the existing porte cochere. In addition to the hotel, which will have an arrival and identity separate from our existing hotel tower, the expansion will include a new spa, two new swimming pools (inside and outside) and additional meeting rooms. Access to our existing facilities and Phase I expansion amenities is intended to be seamless and convenient. The Phase II expansion, which also includes a new parking garage, remains subject to Boyd Gaming Corporation, MGM MIRAGE, and various government and regulatory approvals. We expect to finance the expansion from our cash flow and from our recently refinanced credit facility, which is capable of being expanded.

2/8/05

TRADING NAME OF LICENSEE HARRAH'S CASINO HOTEL, ATLANTIC CITY

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

Revised - 02/08/05

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2004

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	373,077	\$ 32,495	-	\$ -
2	Food	1,563,300	15,633	-	-
3	Beverage	4,788,000	11,970	-	-
4	Travel	-	-	58,081	5,750
5	Bus Program Cash	20,900	209	-	-
6	Other Cash Complimentaries	3,481,360	43,517	-	-
7	Entertainment	49,600	992	-	-
8	Retail & Non-Cash Gifts	166,000	830	264,195	1,321
9	Parking	-	-	-	-
10	Other	-	-	-	-
11	Total	10,442,237	\$ 105,646	322,276	\$ 7,071

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2004

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	137,428	\$ 11,970	-	\$ -
2	Food	624,900	6,249	-	-
3	Beverage	1,808,000	4,520	-	-
4	Travel	-	-	20,953	2,074
5	Bus Program Cash	20,900	209	-	-
6	Other Cash Complimentaries	1,247,760	15,597	-	-
7	Entertainment	46,950	939	-	-
8	Retail & Non-Cash Gifts	58,400	292	100,357	502
9	Parking	-	-	-	-
10	Other	-	-	-	-
11	Total	3,944,338	\$ 39,776	121,310	\$ 2,576

TRADING NAME OF LICENSEE: RESORTS INTERNATIONAL HOTEL, INC.

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

AMENDED
12/2/04

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2004

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (in thousands) (d)	Number of Recipients (e)	Dollar Amount (in thousands) (f)
1	Rooms	125,831	\$ 10,347	418	\$ 77
2	Food	856,549	10,199	145	10
3	Beverage	376,767	2,147	-	-
4	Travel	-	-	12,811	1,393
5	Bus Program Cash	494,829	8,126	-	-
6	Other Cash Complimentaries	749,361	20,260	-	-
7	Entertainment	53,625	1,821	1,235	181
8	Retail & Non-Cash Gifts	7,297	145	1,504	328
9	Parking	-	-	-	-
10	Other	6,125	116	36,672	725 *
11	Total	2,670,384	\$ 53,161	52,785	\$ 2,714

* Included in Other Promotional Expenses for the nine months ended September 30, 2004 are tobacco complimentaries in the amount of \$204. No other single item or service included in other exceeds 5% of the column total.

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2004

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	57,348	\$ 4,695	83	\$ 22
2	Food	368,051	4,268	29	2
3	Beverage	145,216	873	-	-
4	Travel	-	-	4,975	466
5	Bus Program Cash	173,071	2,822	-	-
6	Other Cash Complimentaries	311,752	7,929	-	-
7	Entertainment	22,561	645	380	54
8	Retail & Non-Cash Gifts	2,600	64	403	92
9	Parking	-	-	-	-
10	Other	2,296	49	14,585	278 *
11	Total	1,082,895	\$ 21,345	20,455	\$ 914

* Included in Other Promotional Expenses for the three months ended September 30, 2004 are tobacco complimentaries in the amount of \$82. No other single item or service included in other exceeds 5% of the column total.

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO
STATEMENTS OF INCOME

Amended

2-16-05

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2004 AND 2003

(UNAUDITED)

AMENDED

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2004 (c)	2003 (d)
	Revenue:		
1	Casino.....	\$ 47,934	\$ 48,907
2	Rooms.....	3,280	3,115
3	Food and Beverage.....	5,687	6,627
4	Other.....	874	1,047
5	Total Revenue.....	57,775	59,696
6	Less: Promotional Allowances.....	13,018	13,655
7	Net Revenue.....	44,757	46,041
	Costs And Expenses:		
8	Cost of Goods and Services.....	30,515	32,382
9	Selling, General, and Administrative.....	9,457	9,761
10	Provision for Doubtful Accounts.....	(85)	170
11	Total Costs and Expenses.....	39,887	42,313
12	Gross Operating Profit.....	4,870	3,728
13	Depreciation and Amortization.....	3,824	3,823
	Charges from Affiliates Other than Interest:		
14	Management Fees.....	-	-
15	Other.....	-	-
16	Income (Loss) From Operations.....	1,046	(95)
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates.....	(699)	(2,949)
18	Interest (Expense) - External.....	(56)	(54)
19	Investment Alternative Tax and Related Income (Expense) - Net...	(300)	(291)
20	Nonoperating Income (Expense) - Net..... Note 13.....	(686)	181
21	Total Other Income (Expenses).....	(1,741)	(3,113)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	(695)	(3,208)
23	Provision (Credit) for Income Taxes..... Note 2.....	272	272
24	Income (Loss) Before Extraordinary Items.....	(967)	(3,480)
25	Extraordinary Items (Net of Income Taxes - 2004, \$ - ; 2003, \$ -).....	-	-
26	Net Income (Loss).....	\$ (967)	\$ (3,480)

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO
STATEMENTS OF CASH FLOWS
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2004 AND 2003
 (UNAUDITED)

Amended

2-16-05

(\$ IN THOUSANDS)

AMENDED

LINE (a)	DESCRIPTION (b)	2004 (c)	2003 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	\$ 4,044	\$ (615)
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	Purchase of Short-Term Investment Securities.....	-	-
3	Proceeds from the Sale of Short-Term Investment Securities.....	-	-
4	Cash Outflows for Property and Equipment.....	(9,393)	(10,615)
5	Proceeds from Disposition of Property and Equipment.....	38	110
6	Purchase of Casino Reinvestment Obligations.....	(1,551)	(1,714)
7	Purchase of Other Investments and Loans/Advances made.....	-	-
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables.....	-	-
9	Cash Outflows to Acquire Business Entities (net of cash acquired).....	-	-
10			
11			
12	Net Cash Provided (Used) By Investing Activities.....	(10,906)	(12,219)
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	Cash Proceeds from Issuance of Short-Term Debt.....	-	10,500
14	Payments to Settle Short-Term Debt.....	-	-
15	Cash Proceeds from Issuance of Long-Term Debt.....	-	-
16	Costs of Issuing Debt.....	-	-
17	Payments to Settle Long-Term Debt.....	-	-
18	Cash Proceeds from Issuing Stock or Capital Contributions.....	9,123	-
19	Purchases of Treasury Stock.....	-	-
20	Payments of Dividends or Capital Withdrawals.....	-	-
21			
22			
23	Net Cash Provided (Used) By Financing Activities.....	9,123	10,500
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	2,261	(2,334)
25	Cash And Cash Equivalents At Beginning Of Period.....	16,903	18,834
26	Cash And Cash Equivalents At End Of Period.....	\$ 19,164	\$ 16,500

	CASH PAID DURING PERIOD FOR:		
27	Interest (Net of Amount Capitalized).....	\$ 10,744	\$ 12,100
28	Income Taxes.....	\$ 691	\$ 463

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: SANDS HOTEL & CASINO
STATEMENTS OF CASH FLOWS

Amended

2-16-05

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2004 AND 2003

(UNAUDITED)

(\$ IN THOUSANDS)

AMENDED

LINE	DESCRIPTION	2004	2003
(a)	(b)	(c)	(d)
	NET CASH FLOWS FROM OPERATING ACTIVITIES:		
29	Net Income (Loss).....	\$ (6,615)	\$ (8,523)
	Noncash Items Included in Income and Cash Items		
	Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment....	10,863	10,357
31	Amortization of Other Assets.....	464	569
32	Amortization of Debt Discount or Premium.....	-	-
33	Deferred Income Taxes - Current.....	-	-
34	Deferred Income Taxes - Noncurrent.....	-	-
35	(Gain) Loss on Disposition of Property and Equipment.....	(38)	(104)
36	(Gain) Loss on Casino Reinvestment Obligations.....	887	866
37	(Gain) Loss from Other Investment Activities.....	-	-
	Net (Increase) Decrease in Receivables and Patrons'		
38	Checks.....	773	598
39	Net (Increase) Decrease in Inventories.....	(89)	(177)
40	Net (Increase) Decrease in Other Current Assets.....	(1,291)	(588)
41	Net (Increase) Decrease in Other Assets.....	107	(9)
42	Net Increase (Decrease) in Accounts Payable.....	(1,054)	(1,007)
	Net Increase (Decrease) in Other Current Liabilities		
43	Excluding Debt.....	(179)	(2,874)
	Net Increase (Decrease) in Other Noncurrent Liabilities		
44	Excluding Debt.....	216	277
45			
46			
47	Net Cash Provided (Used) By Operating Activities.....	\$ 4,044	\$ (615)

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:		
48	Additions to Property and Equipment.....	\$ 9,393	\$ 10,615
49	Less: Capital Lease Obligations Incurred.....	-	-
50	Cash Outflows For Property And Equipment.....	\$ 9,393	\$ 10,615
	ACQUISITION OF BUSINESS ENTITIES:		
51	Property and Equipment Acquired.....	\$	\$
52	Goodwill Acquired.....		
	Net Assets Acquired Other than Cash, Goodwill, and		
53	Property and Equipment.....		
54	Long-Term Debt Assumed.....		
55	Issuance of Stock or Capital Invested.....		
56	Cash Outflows To Acquire Business Entities.....	\$ -	\$ -
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
57	Total Issuances of Stock or Capital Contributions.....	\$ 9,123	\$ -
58	Less: Issuances to Settle Long-Term Debt.....	-	-
59	Consideration in Acquisition of Business Entities.....	-	-
60	Cash Proceeds From Issuing Stock Or Capital Contributions.....	\$ 9,123	\$ -

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

ATLANTIC CITY SHOWBOAT, INC.
Notes to Financial Statements
(Dollars In Thousands)

AMENDED
12/17/08

(8) LONG-TERM DEBT

On May 18, 1993, SBO issued \$275,000 of 9 ¼ % First Mortgage Bonds due 2008 ("9 ¼ % Bonds") and subsequently loaned approximately \$215,000 of the proceeds to the Company evidenced by an intercompany note with terms and conditions consistent with those of the 9 ¼ % Bonds. Subsequent to the acquisition of SBO by Harrah's on June 1, 1998, Harrah's completed tender offers and consent solicitations for SBO's 9 ¼ % Bonds. As a result of the receipt of the requisite consents, Harrah's eliminated or modified substantially all of the negative covenants, certain events of default and made other changes to the respective indentures governing the 9 ¼ % Bonds.

On January 15, 1999, the Company entered into a \$500,000 intercompany promissory note with HOC. The debt terms are consistent with the provisions of third party credit agreements arranged by HOC. The intercompany note is due on January 15, 2009 and is secured by the assets of the Company. Interest is payable semiannually at a rate of 7 ½ %.

On March 12, 2003 both the 9 ¼ % and 7 ½ % Promissory Notes were assigned by their respective holders to Harrah's Entertainment Limited. The terms and amounts of the debt were not affected by this assignment. The only notable change is that interest will be paid monthly instead of semiannually. Interest payments related to long-term debt are included in the Amounts Due to Affiliates.

(9) OTHER LIABILITIES

As of September 30, 2004 and 2003, Other Liabilities consisted of the following:

	<u>2004</u>	<u>2003</u>
Due to Affiliates, Long-Term	\$1,045,726	\$909,098
Other	<u>165</u>	<u>266</u>
	<u>\$1,045,891</u>	<u>\$909,364</u>

Due To Affiliates, Long Term consisted of the following:

	<u>2004</u>	<u>2003</u>
HARRAH'S	\$619,490	\$491,225
SBO	409,450	403,473
Harrah's Las Vegas	6,437	6,435
Harrah's Reno	21	21
Harrah's Tunica	11	11
Harvey's Tahoe	663	663
Harrah's Laughlin	14	14
Rio Las Vegas	83	83
OSI	38	38
Harrah's Atlantic City	9,179	6,606
Showboat Operating Company	<u>340</u>	<u>528</u>
	<u>\$1,045,726</u>	<u>\$909,098</u>

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2004
(Unaudited)

AMENDED
12/10/04

NOTE 2 - LONG-TERM DEBT

Long-term debt consists of the following:

	September 30, 2004	September 30, 2003
Note Payable - Trump AC and Trump AC Funding 11.25% First Mortgage Notes, due 2006 (a)	\$ 800,000,000	\$ 800,000,000
Note Payable - Trump AC, Trump AC Funding II and Trump AC Funding III 11.25% First Mortgage Notes, due 2006, net of unamortized discount of \$197,000 and \$341,000 respectively (b)	36,553,000	36,409,000
Capitalized lease obligations (c)	<u>24,114,000</u>	<u>20,095,000</u>
	860,667,000	856,504,000
Less: Current maturities	<u>(12,509,000)</u>	<u>(9,141,000)</u>
	<u>\$ 848,158,000</u>	<u>\$ 847,363,000</u>

(a) In April 1996, Trump AC and Trump Atlantic City Funding, Inc., a wholly owned subsidiary of Trump AC ("Trump AC Funding"), issued \$1,200,000,000 principal amount of 11.25% First Mortgage Notes due May 1, 2006 (the "TAC I Notes"). Interest on the TAC I Notes is due semiannually. The Trump AC Mortgage Notes are guaranteed as to payment of principal and interest, jointly and severally, by Taj Associates, Plaza Associates, Trump AC and all future subsidiaries of Trump AC (other than Trump AC Funding). The TAC I Notes are jointly and severally secured by mortgages representing a first lien and security interest on substantially all the assets of Taj Associates and Plaza Associates. The indenture pursuant to which the TAC I Notes were issued restricts the ability of Trump AC and its subsidiaries to make distributions or to pay dividends, as the case may be, unless certain financial ratios are achieved. In addition, the ability of Taj Associates and Plaza Associates to make payments of dividends or distributions (except for payment of interest) through Trump AC to THCR Holdings may be restricted by the CCC.

(b) In December 1997, Trump AC and Trump Atlantic City Funding II, Inc. ("Trump AC Funding II") issued \$75,000,000 principal amount of 11.25% First Mortgage Notes due May 1, 2006 (the "TAC II Notes"). In December 1997, Trump AC and Trump Atlantic City Funding III, Inc. ("Trump AC Funding III") issued \$25,000,000 principal amount of 11.25% First Mortgage Notes due May 1, 2006 (the "TAC III Notes" and together with the TAC I Notes and TAC II Notes, the "Trump AC Mortgage Notes").

From the proceeds of the issuance of the Trump AC Mortgage Notes, Trump AC loaned \$800,000,000 and \$36,750,000 to Taj Associates with interest at 11.25%, due May 1, 2006 with the same terms as the Trump AC Mortgage Notes.

(c) Interest on these leases are payable with interest rates ranging from 6.0% to 18.2%. The leases are due at various dates between 2004 and 2007 and are secured by the equipment financed.

The Trump AC Mortgage Notes include restrictive covenants prohibiting or limiting, among other things, the sale of assets, the making of acquisitions and other investments, certain capital expenditures, the incurrence of additional debt and liens and the payment of dividends and distributions.